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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

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Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/2010 AND ENDING 12/31/2010  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Cue Capital Limited Partnership**

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**800 Fifth Avenue, 18th Floor**

(No. and Street)

**New York**

(City)

**New York**

(State)

**10065**

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**George Skouras**

**212-317-1330**

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Rothstein Kass & Company, P.C.**

(Name -- if individual, state last, first, middle name )

**4 Becker Farm Road**

(Address)

**Roseland**

(City)

**New Jersey**

(State)

**07068**

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions



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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, George A. Spurns, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Che Capital Limited Partnership, as of February 25, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Title

Notary Public

NANCY E. LOESCH  
Notary Public, State of New York  
No. 30-4973111  
Qualified in New York County  
Commission Expires February 11, 20 15

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal accounting control.
- ☐ (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**CUE CAPITAL LIMITED PARTNERSHIP**

STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010

# CUE CAPITAL LIMITED PARTNERSHIP

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Certified  
Public  
Accountants

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www.rkco.com

Beverly Hills  
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Denver  
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Irvine  
New York  
Roseland  
San Francisco  
Walnut Creek

# Rothstein Kass

## INDEPENDENT AUDITORS' REPORT

To the Partner of  
Cue Capital Limited Partnership

We have audited the accompanying statement of financial condition of Cue Capital Limited Partnership (the "Partnership") as of December 31, 2010. This statement of financial condition is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Cue Capital Limited Partnership as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
February 24, 2011

# CUE CAPITAL LIMITED PARTNERSHIP

## STATEMENT OF FINANCIAL CONDITION

December 31, 2010

### ASSETS

Cash and cash equivalents	\$ 110,163
Fees receivable	275,930
Prepaid expenses	15,375
Property and equipment, net	<u>30,897</u>
	<u>\$ 432,365</u>

### LIABILITIES AND PARTNER'S CAPITAL

Liabilities, accounts payable and accrued expenses	\$ 52,663
Partner's capital	<u>379,702</u>
	<u>\$ 432,365</u>

# CUE CAPITAL LIMITED PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations and summary of significant accounting policies

#### *Nature of Operations*

Cue Capital Limited Partnership (the "Partnership") was formed on September 4, 2003. The Partnership is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is also a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Partnership's operations consist primarily of introducing leading institutional investors to fund managers that make private equity, real estate, and other non-traditional investments. The Partnership also provides advice to fund managers regarding ways to improve their methods of raising capital.

#### *Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

These financial statements were approved by management and available for issuance on February 24, 2011. Subsequent events have been evaluated through this date.

#### *Cash and Cash Equivalents*

The Partnership considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### *Property and Equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization. The Partnership provides for depreciation and amortization under the straight-line method as follows:

<b>Assets</b>	<b>Estimated Useful Life</b>
Computer equipment	5 Years
Computer software	3 Years
Furniture and fixtures	7 Years
Leasehold improvements	Term of Lease

#### *Long-Lived Assets*

The Partnership periodically assesses the recoverability of the carrying amounts of long-lived assets. A loss is recognized when expected undiscounted future cash flows are less than the carrying amount of the asset. The impairment loss is the difference by which the carrying amount of the asset exceeds its fair value. The Partnership did not recognize an impairment loss on its long-lived assets for the year ended December 31, 2010.

# CUE CAPITAL LIMITED PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations and summary of significant accounting policies (continued)

#### *Revenue Recognition*

Finder fees are recognized as earned on a pro-rata basis over the term of the contract. Consulting fees are recognized when services are provided.

#### *Fees Receivable*

The Partnership carries its fees receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Partnership evaluates its fees receivable and establishes an allowance for doubtful accounts, if necessary, based on a history of past bad debts and collections and current credit conditions. Accounts are written off as uncollectible on a case-by-case basis.

#### *Income Taxes*

The Partnership has only one partner and is treated as a disregarded entity for federal and state income tax purposes, accordingly, there is no provision for federal and state income taxes as the net income or loss of the Partnership is included in the income tax return of the individual partner. The individual partner is subject to New York City Unincorporated Business Tax ("UBT"). The liability and provision associated with the UBT is principally the result of the operations of the Partnership. UBT is calculated using currently enacted tax laws and rates and is reflected on the books of the Partnership.

The Partnership follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Partnership's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Partnership's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Partnership reassesses these probabilities and records any changes in the financial statements as appropriate. Accrued interest and penalties related to income tax matters are classified as a component of income tax expense.

In accordance with GAAP, the Partnership is required to determine whether a tax position of the Partnership is more-likely-than-not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax benefits previously recognized results in the Partnership recording a tax liability that reduces net assets. However, the Partnership's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.



# CUE CAPITAL LIMITED PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS

### 1. Nature of operations and summary of significant accounting policies (continued)

#### *Income Taxes (continued)*

The individual partner files his UBT return with New York City which is subject to examination. Any potential examination may include questioning the timing and amount of deductions and compliance with tax laws. The Partnership's management does not expect that the total amount of unrecognized tax benefit will materially change over the next twelve months.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2. Property and equipment

Property and equipment consist of the following at December 31, 2010:

Computer equipment	\$	71,428
Computer software		1,917
Furniture and fixtures		29,906
Leasehold improvements		12,013
		<hr/>
		115,264
Less accumulated depreciation and amortization		84,367
		<hr/>
	\$	30,897

Depreciation and amortization expense amounted to approximately \$14,000 for the year ending December 31, 2010.

### 3. Net capital requirement

The Partnership is a member of FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2010, the Partnership's net capital was approximately \$81,000, which was approximately \$76,000 in excess of its minimum net capital requirement of \$5,000.

# CUE CAPITAL LIMITED PARTNERSHIP

## NOTES TO FINANCIAL STATEMENTS

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### **4. Commitments**

The Partnership rents office space under an operating lease which expires on June 30, 2011. Rent expense amounted to approximately \$101,000 for the year ended December 31, 2010. Future minimum rental payments due under the lease are approximately \$50,000 as of December 31, 2010.

### **5. Exemption from Rule 15c3-3**

The Partnership is exempt from the SEC Rule 15c3-3 pursuant to the exemptive provisions under sub-paragraph (k)(2)(ii) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

### **6. Major customers**

The Partnership has finder and consulting fee revenue from three customers which was approximately 91% of the total finder and consulting fee revenue for the year ending December 31, 2010. Fees receivable from these customers were approximately 87% of the total fees receivable at December 31, 2010.

### **7. Concentration of credit risk**

The Partnership maintains its cash balances in one financial institution, which, at times, may exceed federally insured limits. The Partnership has not experienced any losses on these accounts and believes it is not subject to any significant credit risk.